

From: George Schussel To: Ed DeFranceschi

Date: 12/7/97 Time: 11:07:28 AM

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## FAX note from Geo

PRIVILEGED COMMUNICATION FOR Edward DeFranceschi:

Hi Ed:

A question of law and regulation follows. This is based on the fact that I would like to refile my personal tax return for '95.

>The existing examination is for DCI, a "C" corporation for '95. It converted to an "S" corporation for '96 and after.

>We would need to decide which years to refile the personal tax return for. Preliminarily, it looks like a refiling for '94, '95 and '96 is appropriate.

Are we sure that I cannot go ahead and refile personal for '95 at this time? I know you've answered this question before, but it's important enough to merit re-asking.

If I cannot refile at this time, then it would appear that we should wait until I can -- and only then refile for all three years?

When the DCI examination ends, how soon can I refile personally? Is it after we have been told orally by the examiner that the exam is over? Is it after we've signed the settlement form? Is it after we have received the final resolution letter?

I'll be at work on Monday morning and then at a conference until I'm back in the office on Friday. If you can't call on Monday, please leave me a voice mail message on x403 with your opinion.

Thanks,  
Geo

92-93-94-95

**DCI**

|                                       |
|---------------------------------------|
| To: Ed DeFranceschi                   |
| From : George Schussel                |
| Pages: 1                              |
| For Information Call: George Schussel |
| At: 978-470-3870                      |
| Fax Number : 978-470-2002             |

Exhibit A

EDWARD DEFRANCESCHI, P. C.  
ATTORNEY AT LAW  
6 BEACON STREET  
BOSTON, MASSACHUSETTS 02108-3802

EDWARD DEFRANCESCHI  
DAVID M. KLEMM

TEL: 617-723-6068  
FAX: 617-723-4640

March 11, 1998

Kelly McGovern  
Internal Revenue Service  
Exam  
JFK Building  
STOP 41275  
Boston, MA 02203

RE: Digital Consulting, Inc.

Dear Ms. McGovern:

This letter is in response to your Information Document Request #4 dated February 24, 1998. By agreement the taxpayer's response is due on March 20, 1998. My response will follow the numbered items of the document request.

1. Dr. Schussel is not an employee or officer of Digital Consulting International, Ltd. (DCIL). In 1988 at the formation of DCIL, he received one share of one dollar par value stock out of 12,000 issued and outstanding.
2. I do not represent Digital Consulting International LTD and I cannot disclose information about it.
3. No response required.
4. See number 2.
5. See Exhibit "A".
6. See Exhibit "B".
7. There were no invoices. Payments were made pursuant to the contract previously provided to you.

I have contacted DCIL's Bermuda counsel. DCIL has complied with all the laws of Bermuda pertaining to its taxes. In addition, the relationship between DCI and DCIL has been previously reviewed by the Internal Revenue Service. In 1991/1992 DCI was examined for the years 1986 through 1990 inclusive. The Revenue Agent, Mr. Larry Griffin, reviewed the relationship. He questioned transactions much like the situation

Exhibit B

that existed in 1995. Mr. Griffin advised Dr. Schussel that the transaction was one of an international nature and was not the scope of the DCI audit. For over seven months in 1995, DCI's 1993 tax return was examined and the relationship between DCI and DCIL was not challenged during that examination either.

We have provided you with all the information that we are legally able to provide. My client is anxious to get this examination resolved. It has dramatically changed its way of doing business in order to attract either a purchaser or venture capital in order to expand the business. Many venture capitalists have expressed interest in an initial level of funding for DCI. However, nothing can be brought to conclusion until this examination has ended. This is an ideal time for obtaining venture capital, a time that may end very soon. Accordingly, it is imperative that this examination be brought to a conclusion. I would be happy to discuss any conclusions you have reached concerning your audit. I would also be happy to discuss with you and/or your supervisor any adjustments you contemplate proposing. We must move to a conclusion.

Lastly, my client would like to know whether or not it can put back in storage the materials that have been set aside in the first floor room you have been using. That room has been out of use for approximately four (4) months and space at DCI's Andover headquarters is at a premium.

Your prompt response to this letter will be appreciated.

Sincerely,

Edward DeFranceschi

EDF/dsp  
Enclosures  
cc: George Schussel  
dci.m

## EXHIBIT 'A'

| <u>Event</u>               | <u>Location</u> | <u>Date</u> |
|----------------------------|-----------------|-------------|
| OSF                        | London          | 4/24-28/95  |
| DataWarehousing            | Holland         | 5/15-19/95  |
| DataWarehousing            | Germany         | 6/19-23/95  |
| Sybase                     | London          | 10/8-11/95  |
| Canadian Events*           |                 |             |
| C/S Solutions 95           | Toronto         | 9/18-22/95  |
| Email World                | Toronto         | 9/18-22/95  |
| Internet Expo              | Toronto         | 9/18-22/95  |
| Web World                  | Toronto         | 9/18-22/95  |
| Mobile World               | Toronto         | 9/18-22/95  |
| SFA                        | Toronto         | 9/18-22/95  |
| DataWarehousing Conf.      | Toronto         | 9/18-22/95  |
| Olap Forum                 | Toronto         | 9/18-22/95  |
| SW World/CS World          | Toronto         | 3/6-10/95   |
| RM 25                      | Toronto         | 3/6-10/95   |
| OSF                        | Toronto         | 3/6-10/95   |
| Outsourcing Conference     | Toronto         | 10/23-26/95 |
| Advanced Gui               | Ottawa          | 3/27-29/95  |
| Gui Design                 | Ottawa          | 3/27-29/95  |
| C/S Tools                  | Toronto         | 6/6-7/95    |
| Datawarehousing Technology | Toronto         | 5/2-4/95    |
| Datawarehousing Technology | Calgary         | 7/5-7/95    |
| ReEngineering              | Ottawa          | 10/2-3/95   |

\*Canadian Events are included in Non U.S. events as contemplated by the September 1993 contract. No payments were made to DCIL with respect to these events.

## EXHIBIT 'B'

| <u>Event</u>          | <u>Location</u> | <u>Date</u>   |
|-----------------------|-----------------|---------------|
| PC card               | San Jose        | 4/3-7/95      |
| OSF                   | San Fran        | 4/10-14/95    |
| RevTech               | San Fran        | 4/11-13/94*   |
| Sybase                | San Jose        | 5/94*         |
| Microsoft Explorer 95 | Boston          | 6/5-8/95      |
| Nexstep Expo w/d      | San Fran        | 6/19-21/95    |
| ACI                   | San Jose        | 7/9-12/95     |
| OSF                   | Boston          | 8/20-24/95    |
| IBM TechCon           | San Jose        | 10/9-13/95    |
| EDA                   | Dallas          | 10/18-20/94*  |
| Computron             | N.J.            | 10/29-11/2/95 |

Total Payments \$2,016,019.00. This amount represents approximately two thirds of the minimum amount due under the September 1993 agreement, 10% of gross. DCIL was compensated from these events to satisfy the minimum terms of the existing agreement.

\*Disbursements for events held in 1994.

ACCT#: 070 0345173199

## CONFIRMATION STATEMENT AND INVEST-BY-MAIL FORM

To add to your account please make check payable to:

FIDELITY  
INVESTMENTS

Return this stub with your additional investment check.

DIGITAL CONSULTING INTERNATL PAGE 1  
5 KIMBERLY TERRACE  
LYNNFIELD MA 01940-1639

1987 YEAR END

87/12/22

## Amount of Investment

FUND NO 070 SC: 080  
ACCOUNT NO 345173199  
IDENT OR SOC SEC NO 04-2986340

SEE REVERSE SIDE FOR COMPLETE INSTRUCTIONS ON HOW TO MAKE ADDITIONAL INVESTMENTS TO YOUR ACCOUNT.

070 0345173199

## PLEASE KEEP THIS PORTION FOR YOUR RECORDS

| ALPHA CODE             | ACCOUNT NO                       | FUND NO            | FIDELITY MASS TAX FREE BOND FUND |
|------------------------|----------------------------------|--------------------|----------------------------------|
| DIGITAL-CO             | 345173199                        | 070                |                                  |
| Confirm Date           | Trade Date                       | Transaction        | Shares This Transaction          |
| 12/22                  | 12/22                            | BEGINNING BALANCE  | 0.00                             |
| 1/01                   | 12/31                            | IMMEDIATE PURCHASE | 37,842.95                        |
|                        |                                  | INCOME REINVEST    | 70.158                           |
| SEP/5498:              |                                  | .00 INVEST EXP     |                                  |
| BOX 3: DIVIDENDS       |                                  | BOX 5:             |                                  |
| Your payment option is | Certificate shares held by you + | WITHHOLDING        | .00 ROLLOVER:                    |
| Income dividends       | Shares on deposit                |                    | .00                              |
| Capital gains          | Shares on deposit                |                    |                                  |
| SHARES                 | SHARES                           |                    | 37,913.110                       |
| Shares                 | Shares                           |                    | 37,913.110                       |

| Fund Tax ID No. | (1) Distributions This Year | (2) Income This Year | (3)  | (4) Capital Gains This Year | (5)  |
|-----------------|-----------------------------|----------------------|------|-----------------------------|------|
| FEES :          | .00                         | W2-P :               | 0.00 | 1099-R :                    | 0.00 |
|                 |                             |                      |      |                             |      |

WHEN THIS STATEMENT IS MARKED 1099 THE INFORMATION ABOVE WILL BE FILED WITH THE INTERNAL REVENUE SERVICE PURSUANT TO FEDERAL LAW.

IF YOU HAVE ANY QUESTIONS ABOUT THIS STATEMENT, PLEASE CONTACT US PROMPTLY BY CALLING TOLL FREE AT 800-225-6270 IN MASSACHUSETTS, ALASKA, AND HAWAII CALL COLLECT (617) 227-1888.

0 CHB 578 000  
0 DIV 000 000



G. SCHUSSEL  
S. K. SCHUSSEL  
5 KIMBERLY TERRACE  
LYNNFIELD, MA 01940

491

9/5/91 53-7199/2113

PAY TO THE ORDER OF DCI International \$ 200,000.00  
Two Hundred Thousand DOLLARS

MEMO

121137199712 1104 779 211 0491 002000000000

*G. Schussel*

Supra HERE

To Fidelity 34517389  
DCI International  
*G. Schussel*

121 00 000000 661815018 021  
22000 00121 200000 001 216422  
PAY TO THE ORDER OF DCI 200777553  
FIDELITY/SPRINT FUND P.L.C.

G. SCHUSSEL  
S. K. SCHUSSEL  
5 KIMBERLY TERRACE  
LYNNFIELD, MA 01940

533

10/29/91 53-7199/2113

PAY TO THE ORDER OF Digital Consulting International \$ 110,516.00  
One Hundred Ten Thousand Five Sixteen DOLLARS

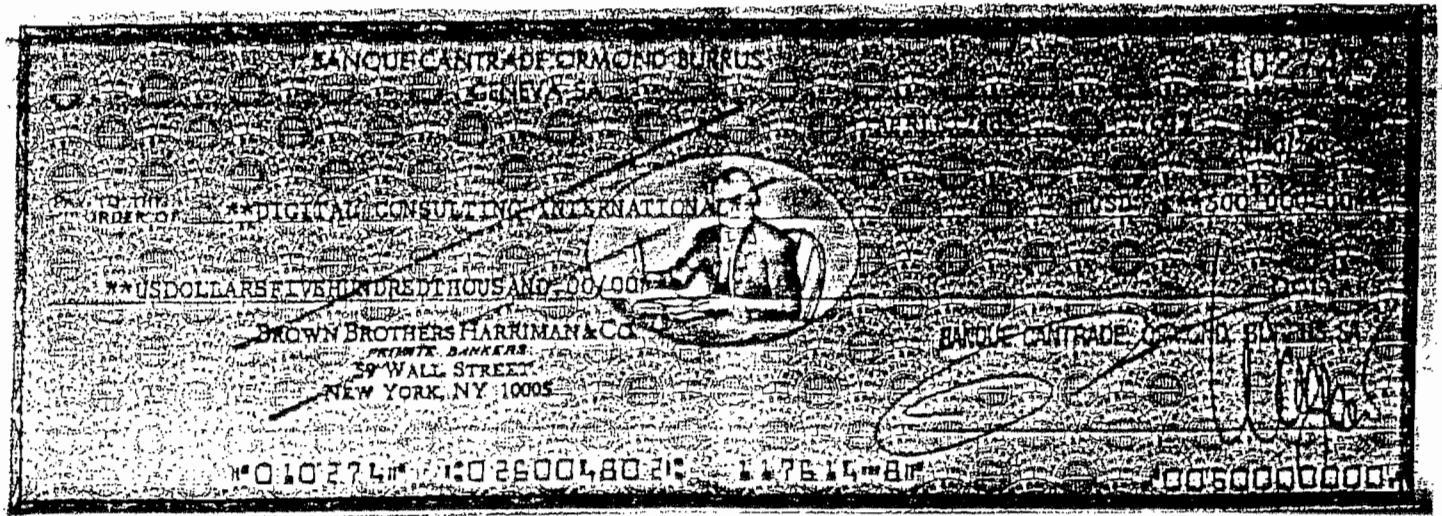
MEMO

121137199712 1104 779 211 0533 001105160000

*G. Schussel*

Deposit FMTF  
34517389  
*G. Schussel*

121 00 000000 661815018 021  
22000 00121 200000 001 216422  
PAY TO THE ORDER OF DCI 200777553  
FIDELITY/SPRINT FUND P.L.C.



FIDELITY/FARTAN FUNDS/P.E.G.  
PAY SHAMMUT NA ACCT 288777353  
820407 205 021002 28900 00006  
078 0345173199 500000.00 678